OPEN MEETING AGENDA ITEM





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State Regulation

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January 25, 2013

Docket Control Arizona Corporation Commission 1200 West Washington Phoenix, Arizona

RE:

Arizona Public Service Company (APS or the Company)

Docket No. E-01345A-12-0290 & E-01345-13-0394

Proposal for Specific REAC-1 Charges for Participating Customers

In Open Meeting on January 23, 2013, APS was directed by the Arizona Corporation Commission (Commission) to develop a proposal to implement specific charges and/or surcharge limits within the Company's Adjustment Schedule REAC-1 for those customers that interconnect a renewable resource to the Company's distribution system. In compliance with a previous order, customers receiving an incentive for a renewable installation are required to pay the monthly cap charged to that customer's billing class beginning March 1, 2013 for systems installed on and after July 1, 2012.

In an effort to be consistent with the language approved by the Commission on January 23rd for Tucson Electric Power and UNS Electric, APS proposes the following ordering language:

IT IS FURTHER ORDERED that customers who have a renewable installation that is interconnected with APS's system shall pay the average of the REAC-1 surcharge paid by members of their customer class beginning on the day APS's 2014 REAC-1 becomes effective. This requirement shall apply to renewable systems reserved on and after February 1, 2013 and those systems that received an incentive under the RES rules installed on and after July 1, 2012.

If any questions arise regarding this proposal, please call me at 602-250-2661.

Sincerely

Jeffrey W. Johnson

JJ:bgs

cc:

Chairman Bob Stump
Commissioner Gary Pierce
Commissioner Brenda Burns
Commissioner Bob Burns
Commissioner Susan Bitter Smith

Steve Olea Terri Ford Ray Williamson Parties of Record Arizona Corporation Commission

DOCKETED

JAN 25 2013

DOCKETED BY

Im

Copies of the foregoing mailed/delivered this 25th day of January, 2013, to:

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